Manitoba Lotteries Corporation

Mission

The MLC's Mission is to provide a fun and entertaining gaming experience in a socially responsible manner to generate benefits for all Manitobans.

For Further Information Contact:

Manitoba Lotteries Corporation
830 Empress Street
Winnipeg, Manitoba
R3G 3H3

(204) 957-2500
www.mlc.mb.ca

Toll Free 1-800-782-0363

THIRD QUARTER REPORT

FOR THE NINE MONTHS ENDED
DECEMBER 31, 2008

MANITOBA LOTTERIES CORPORATION
OPERATIONAL HIGHLIGHTS

Manitoba Lotteries Corporation's consolidated net income and comprehensive income for the 9 months ended December 31, 2008 was $234.3 million, an increase of $0.9 million from the same period last year. This change is due to an increase of $2.2 million in Video Lotto, offset by modest decreases of $0.5 million in the Casinos and $0.8 million in Lottery.

Revenue and other income, net of cost of sales, increased $21.5 million from the same period last year. Operating expenses increased $14.0 million over the same period last year. Amortization, interest and GST expenses increased $7.1 million over the same period last year, and allocations and payments decreased by $0.6 million.

CONSOLIDATED STATEMENT OF OPERATIONS
(in thousands, unaudited)
9 Months Ended December 31st

	2008				2007
	Video Lotto	Casinos	Lottery	Total	Total
Revenue					
Revenue and other income	$269,027	$156,630	$155,969	$581,626	$557,224
Cost of sales	83,831	6,643	106,736	197,210	194,298
	185,196	149,987	49,233	384,416	362,926
Expenses					
Operating	8,135	87,021	3,804	98,960	84,972
Amortization	17,781	9,599	-	27,380	20,093
Interest	2,782	5,400	181	8,363	8,937
Goods and Services Tax	4,007	415	41	4,463	4,048
	32,705	102,435	4,026	139,166	118,050
Income before Allocations and Payments	152,491	47,552	45,207	245,250	244,876
Allocations and Payments	2,251	4,493	4,181	10,925	11,512
Net Income and Comprehensive Income	$150,240	$43,059	$41,026	$234,325	$233,364

MANITOBA LOTTERIES CORPORATION
CONSOLIDATED BALANCE SHEET
(in thousands, unaudited)
December 31st

	2008	2007
ASSETS		
Current Assets		
Cash	$ 29,325	$ 35,754
Accounts receivable	9,418	13,769
Prepaid expenses	2,807	1,516
Inventories	2,855	2,546
	44,405	53,585
Property and Equipment, and Other Assets	171,264	177,277
	$215,669	$230,862
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accruals	$25,390	$19,125
Payable to the Province of Manitoba	8,426	22,364
Current portion of long term debt	13,998	12,845
	47,814	54,334
Long Term Debt	162,477	171,215
Provision for Employee Pension Benefits	378	313
Retained Earnings	5,000	5,000
	$215,669	$230,862